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## DOCUMENTS, REPORTS, AND LEGISLATION

### Industries and Commerce

*The Sugar Industry* by F. J. Sheridan (United States Bureau of Foreign and Domestic Commerce, Miscellaneous Series, No. 9, Washington, 1913, pp. vii, 127) is mainly a compilation of data relating to agricultural and manufacturing costs and conditions of producing cane sugar in Louisiana, secured under the general direction of the Tariff Board in 1912 and covering the crops of 1909, 1910, and 1911.

For the agricultural year of 1911 and the manufacturing season of 1911-12, data are selected from 15 of the 23 parishes which produce 97 per cent of the total cane tonnage of the state. Detailed cost figures are taken from the records of companies operating 56 plantations and 23 factories in these parishes. The plantation costs include the cane tonnage from 49,723 acres, which is about one seventh of the total for the state. The factory costs are for about one fourth of the total amount of cane crushed. The statistics for 1910 and 1909 are about two thirds and one half as comprehensive, respectively, as those for 1911. In the cases of the larger plantations and factories, excellent daily records and cost-accounting systems enabled the securing of unusually accurate data.

In addition to the direct cost statistics, the report gives many factors and conditions of Louisiana cane sugar production as, for example, facts relating to restorative crops, fertilizers, drainage, tenant systems, labor conditions, contracts, equipment, systems of delivery and transportation, processes of manufacture, etc.

The latter part of the report is in the nature of an appendix which gives miscellaneous statistics from standard authorities relative to the American and European beet-sugar industries and regarding both beet and cane-sugar production, consumption, imports, exports, and customs receipts in the various countries of the world. Much of the data in this part are not later than for 1909.

The probability of early freezes in Louisiana necessitates harvesting cane before it is mature and a smaller percentage of sugar is obtained than in the more favored fields of Cuba, Hawaii, Java, and other tropical islands. During the past two or three years, very severe early freezes and extensive floods have injured the Louisiana industry in an unusual degree. Hence the report, in so far as it covers this period, shows abnormally high costs and low profits, even losses in some cases. On the other hand, much of the data seems to be taken from the larger and more efficiently managed plantations

and factories and the general impression given of the industry as a whole is that it is upon a more scientific basis than is usually thought to be the case.

The point of view of the report is not essentially different from that of other reports of the recent Tariff Board, that is, protectionist, but on the whole, this compilation of data is probably the most systematic, comprehensive, and reliable that has been published relative to sugar costs in Louisiana and it indicates that much of the industry of that state is very near the margin, even under average conditions.

*Cornell University.*

ROY G. BLAKEY.

The New York agricultural experiment station has recently published a bulletin, *The Financial Stimulus in City Milk Distribution*, by H. A. Harding and J. D. Brew (Geneva, N. Y., April, 1913, pp. 165-178) in which ingenious estimates are made in regard to the cost of producing milk. Detailed estimates in regard to the capital invested in supplying milk to a city of 13,000 inhabitants are assembled as follows:

Cows .....	600, at \$80.....	\$48,000
Lands with buildings, 3000 acres, at \$100....	300,000	
Equipment.....	3000      “      “      20....	60,000
City distributors .....		50,000
Total .....		\$458,000

This estimate amounts to a little over \$36 per capita of the people supplied with milk. From the agricultural standpoint the capitalization amounts to \$763 per cow, of which the producer furnishes \$680 and the retailer \$83. Costs of distributing are further considered, based upon estimates by one of the large Boston retailers.

Bulletin 231 of the agricultural experiment station of the University of Wisconsin, on *The Marketing of Wisconsin Cheese*, prepared by H. C. Taylor, W. A. Schoenfeld, and G. S. Wehrwein (Madison, April, 1913, pp. 46) is not only a comprehensive study of an important industry in which Wisconsin is rapidly taking a leading position, but furnishes an important contribution to the possibilities of coöperation as applied to agriculture. It is hoped that similar studies will be made of other agricultural products. The bulletin is illustrated with diagrams, maps, and charts showing the location of production, the location of selling boards, warehouses, cold storage plants, shipments, and primary markets, etc. for all the United States.

Students of economic products and history, who wish to use the

library of the American Society of Municipal Engineers of New York, will find serviceable a check *List of Periodical Sets* which are to be found in the joint libraries of engineering societies (29 West 39th St., New York, pp. 55).

"The Market World and Chronicle" (20 Wall St., New York) has issued a translation of the *Constitution, By-Laws, and Clearing-House Rules of the Bremen Association for Futures Business in Cotton* (March 29, 1913, pp. 14).

The *Report of the Directors of the Port of Boston for 1912* is the initial account of the plans and undertakings of this public service board established in 1911. In the appendix is a memorandum on terminals, sources of traffic, differentials, and Boston's foreign commerce (Boston, 1913, pp. 78). In a separate document is a *Report of Joseph A. Conry; Inspection of European Ports, 1912* (Boston, 1913, pp. 28). Mr. Conry is one of the directors of the port.

### Corporations

The report of the Bureau of Corporations on *The International Harvester Company* (Washington, Department of Commerce and Labor, Bureau of Corporations, March 3, 1913, pp. xxiii, 384) contains the usual summary, and is then divided into seven chapters dealing with the following points: conditions before formation; organization of the company; capitalization compared with investment in 1902; subsequent development of the company; profits and prices; productive efficiency and financial resources; competitive methods.

The bureau considers that the primary cause of the formation of the Harvester combine was severe competition. But as the combined profits of the companies' five constituent members from 1898 to 1902 were \$43,000,000 (an average of about \$8,600,000 a year), the bureau does not believe this competition to have been by any means destructive (pp. 2 ff.). The original capitalization of the concern was \$60,000,000, or nearly \$11,000,000 more than the bureau's estimate of the value of the physical property. The bureau considers, however, that if good-will is assumed to have had something approaching its computed value, this deficiency in tangible property was fully made up (p. 133).

Among the most important conclusions of the report are those relative to productive efficiency. The average cost of production per unit on the majority of machines in the International plants is much lower than the average in independent plants, due to the International's large volume of output. It is to be noted, however, that the

proportion of selling expense for the combination on harvesting machines (the only line in which adequate comparison of selling expense can be made) is greater than for the independents (pp. 260 ff. and 275 ff.). This is due, according to the bureau, to the International's elaborate selling organization.

One of the greatest elements of strength in the combination is its enormous financial resources, giving it three tremendous advantages: (1) securing fullest benefits of large scale production; (2) carrying full lines and maintaining an elaborate sales organization; (3) granting extremely long terms of credit.

In discussing competitive methods, the bureau repeats the oft reiterated assertion that methods fair in the case of several competing concerns of reasonably equal strength, may cease to be fair when one concern is so dominant as the International. The chief competitive methods of the Harvester combine have been: bogus independents; full-line forcing, so allotting brands as to secure an undue proportion of dealers; forcing exclusive handling; suggested retail price lists; discriminating prices and terms; misrepresentation of competitors (p. 290).

The attempted comparison contained in this report of the efficiency of the International and of the independents suggests a line of inquiry that, in the estimation of the writer, is most important. Why should not the same thing be attempted in the case of every trust? If the economies of combination are real they ought to appear in dollars and cents, and the fallacy of "trust busting" be demonstrated once and for all. If trust economies are chiefly those of large scale production, as appears to be the case with the Harvester combine, then advocates of dissolution will have a sound basis for their contention, and the government a good reason to continue the policy of breaking up combinations.

WILLIAM S. STEVENS.

The Commissioner of Corporations has recently issued part IV of the report on transportation by water in the United States, specifically devoted to *Control of Water Carriers by Railroads and by Shipping Consolidations* (Washington, 1913, pp. xvii, 101).

Regular lines on the Lakes are in the hands of the railroads, being in the main western extensions of the eastern lines ending at Buffalo. These lines maintain water-and-rail rates at a mild, fixed differential under the all-rail rates. Coastwise lines south of New York and Boston excepting the Merchants and Miners Transportation Co., controlled by the New Haven Railroad, are controlled (a) by the Atlantic, Gulf, and West Indies, the coastwise combine, or (b) they are north-

ern extensions of southern railroads terminating at Gulf or South Atlantic ports. Long Island Sound lines are controlled by the New Haven Railroad. Lines north of New York and Boston, including Boston-New York, are united under the name of the Eastern Steamship Corporation.

In the course of the last seven years a consolidation of water carriers engaged in the American inland and coastwise trade has been quietly completed. This volume, read in connection with the *Hearings on the So-called Shipping Combine before the House Committee on Merchant Marine and Fisheries* (H. Res. 587), ought to relieve any reader of the ancient superstition that the water is free and no combination of carriers upon it can be formed. The roadbed is free, but suitable terminals are not; nor is equipment suitable for package freight or passengers to be "chartered in the open market"; nor are traffic arrangements with connecting carriers attainable for a new line on a moment's notice; nor is a traffic organization inland, and prestige among inland shippers, to be created over night. Carriers of coal and phosphate rock, Great Lakes grain and iron ore are free lances, but the carriers of package freight, the regular lines, the railroads of the water, have found they have a monopoly, and have consolidated, or united into rate conferences for the purpose of controlling rates. With competition eliminated, most of the reasons for government supervision of railroad rates also apply with regard to the supervision of water rates.

E. J. CLAPP.

STREET CAR TRANSPORTATION IN ST. LOUIS. The St. Louis Public Service Commission has recently issued a *Report on the United Railways Company of St. Louis*. The report is in two volumes, of which the first is largely given to an account of the results of a physical valuation of the properties of the company, and the second to a detailed study of street car service in St. Louis, with special reference to the overcrowding of cars.

The United Railways Company is the result of a merger of electric lines in the city and in St. Louis county. The merger dates from 1899 but the last outstanding property was not brought in until 1906. The capitalization of the company is a little over \$100,000,000, including nearly \$60,000,000 in bonds. But the commission finds that the "fair value" of the property is less than \$38,000,000, and that net earnings in 1911 exceeded a "reasonable return" on the investment by over \$1,000,000, and it accordingly recommends that better service be required.

The report on the valuation of the property, which was prepared

by Mr. James E. Allison, a member of the commission and its chief engineer, is a worthy companion to the notable report on *Rates for Electric Light and Power* previously issued by the same commission. Especially praiseworthy are the full accounts of the methods used in the work of valuation and the candid exposition of the principles involved in the choice of methods. In most respects these methods follow established practice, and, like other current work of the sort, owe much to the precedents set in the pioneer work of the Wisconsin commission. But at some points there are new and interesting departures.

Since the word "valuation" suggests the determination of exchange value or market price, which of course is itself determined by earning power, Mr. Allison prefers the expression "just amount" as denoting the capital sum to be determined as the criterion of the adequacy or reasonableness of present earnings. Original cost is held to be a better measure of this "just amount" than is reproduction cost, for the reason that the former is a more accurate measure of the amount actually sacrificed by investors in the service of the public. In the case of real estate, however, the present value is in general used, on the ground that the expectation of the "unearned increment" may have been one of the factors inducing the investment. In the actual work of valuation the usual inventory method was followed, although the inventory was made in unusual detail.

The report contains interesting discussions of such items as expense of organization, interest on organization expense, contingencies, interest during construction, working capital, superseded property, abandoned property, franchise value, cost of establishing the business, and bond discount. But the most striking departures from precedent are made in the discussion of depreciation. This part of the report has also been issued as a separate publication (*Should Public Service Properties be Depreciated to Obtain Fair Value in Rate or Regulation Cases?* St. Louis, 1912).

In the case of a large company, possessing varied properties, acquired at different times, it will be found, of course, that some items of property are new, other items are ready to be "scrapped," and still other items are at the different possible stages of wear or obsolescence. When the depreciation is measured by using the age of the various items of equipment and the average estimated life of such items, it will be found that the aggregate depreciated value of the properties tends to approach a "normal level," fixed about half way between the 100 per cent (undepreciated) aggregate value of the various items and their scrap value. Under the "straight line" method

of depreciation, for example, this normal level for the depreciated value of a large property (leaving scrap value out of account) is just 50 per cent of its undepriciated value. Having once reached this normal level the depreciated value will not tend to fall still lower, but will remain a fairly constant percentage of the undepriciated value. Hence, if such a company had accumulated a depreciation fund from the beginning of its operations, a large part of such a fund could never be used for renewals.

Now, Mr. Allison holds, even if a public utility property in satisfactory condition has a normal depreciated value of only 50 per cent of the original investment necessary to create the property, there is no valid reason why the company should not be allowed to earn on 100 per cent of the original investment, and this whether a depreciation fund has been maintained or not. The argument is essentially as follows: The company is entitled to earn on the whole amount actually sacrificed in the service of the public, and that is nothing less than 100 per cent of the original cost. To the obvious objection that the money which might have been put into a (useless) depreciation fund may actually have been virtually *taken out* of the business through high dividends in the past, Mr. Allison replies that to take account of this possibility at the present time would involve an unjustifiable regulation of past profits. If, however, there has been in the past any legal requirement of a depreciation fund, the amount of such a fund should be deducted from the gross valuation in order to determine the "just amount." Similarly, it is held, there may be a deduction on account of an *illegal* excess of past profits, but not on account of a merely unreasonable excess. In the opinion of the present writer it is hard to escape from Mr. Allison's logic unless one chooses to reject "cost of construction" as a measure of "just amount," and to substitute the principle of "net cost to investors" or "continuous property" once suggested by the Wisconsin commission.

A. A. YOUNG.

The Library of Congress has issued a new list of references on *Federal Control of Commerce and Corporations* (Washington, 1913, pp. 164). This is an expansion of lists previously published in 1903 and 1907. It includes references of a general character on interstate commerce, the constitutional question, Interstate Commerce Commission, and the Sherman anti-trust act. Another list, now in preparation, will contain references dealing with special applications of the principle of federal control, as, for example, the control of express companies, telegraph and telephone business, federal incorporation and taxes, and special application of the Sherman anti-trust act.



The Bureau of Railway Economics, Washington, has recently circulated an address by Frederick A. Delano delivered before the Economic Club of New York on *Are Our Railways Treated Fairly?* (Washington, pp. 11).

There has just appeared the *First Annual Report of the Public Utilities Commission of Rhode Island*, for 1912 (Providence, 1913, pp. 177, xix).

The American Telephone and Telegraph Company has issued during the past two years valuable documents relating to the legal position of the telephone business and also its commercial growth. Here are to be noted *Comparative Summary of Laws Relating to Regulation of Telephone and Telegraph Companies by Commission in Force November 1, 1911* (Boston, 1911, second edition, pp. 270); *Comparative Summary of Laws in Force September 1, 1912, Supplement to Second Edition* (pp. 80); *Telephone Statistics of the World* (May, 1912, pp. 35). This latter is illustrated with interesting charts.

In the official "Proceedings of the New York Railroad Club," for April 13, 1913 (95 Liberty St., New York), appears an address by Professor William J. Cunningham of Harvard University on *Administration of the State Railways of Prussia-Hesse* (pp. 3124-3166). There is also a report of a subsequent discussion.

President Shonts of the Interborough Rapid Transit Company has circulated a pamphlet on *A History of the Libel Suit of Clarence H. Venner against August Belmont* (pp. 155) in which there is a considerable amount of source information in regard to corporate financial methods.

### Labor

INDUSTRIAL COMMISSION OF OHIO. Following the lead of Wisconsin and coming at about the same time as the reorganization of New York's department of labor, the Ohio legislature last March created an industrial commission of three members to be appointed by the governor who will take over all the work heretofore done by the various bureaus dealing with labor affairs. The various departments which will be absorbed by the new commission are those of: (1) the state liability board of awards; (2) commissioner of labor statistics; (3) chief inspector of mines; (4) chief inspector of workshops and factories; (5) chief examiner of steam engineers; (6) board of boiler rules; (7) state board of arbitration and conciliation.

The industrial commission is given comprehensive powers of in-

vestigation and control over places of employment and is empowered "to appoint advisers who shall without compensation assist the industrial commission in the execution of its duties." It may, if it so desires, retain in office the officers of the various bureaus whose authority it supersedes. It may "declare and prescribe what hours of labor, safety devices, safeguards, or other means or methods of protection are best adapted to render the employees of every employment and place of employment . . . safe and to protect their welfare as required by law." It is also to establish standards for the construction and maintenance of places of employment and enforce reasonable orders for the protection of the life, safety, and health of employees.

The commission is also instructed to do all in its power to promote the voluntary arbitration and conciliation of industrial disputes and may in pursuance of this duty appoint temporary boards of arbitration and shall designate a deputy to be known as chief mediator. It is to "investigate the extent and causes of unemployment in the state and adopt the most efficient means in its power to avoid unemployment, to provide employment and prevent distress from involuntary idleness."

Any employer affected by any order of the commission may apply for and obtain a hearing on the reasonableness of such order. The commission may, however, decline to grant a hearing if it deems this unnecessary, unless the petition for a hearing comes from the council or officers of a city or village. Actions to set aside the orders of the commission may be commenced only in the supreme court, and upon the application of either party the trial shall be advanced and assigned at the earliest possible date.

M. B. HAMMOND.

THE OREGON MINIMUM WAGE LAW. On February 17, 1913, the Oregon legislature passed an act "to protect the lives and health and morals of women and minor workers and to establish an industrial welfare commission and define its powers and duties, and to provide for the fixing of the minimum wage and maximum hours and standard conditions of labor for such workers and to provide penalties for violation of this act."

The act follows very closely, in most of its provisions, the Massachusetts law. The two most important deviations are the provision for the enforcement of the law and the penalty for violation of the law. The act does not attempt to determine what shall be the minimum wage, but makes it unlawful to employ women or minors in the

state of Oregon under conditions which may be detrimental to health or morals or for wages unreasonably low or which are inadequate to supply the necessary cost of living. The law does not attempt to determine what conditions are inimical to health or morals, but makes provision for the appointment by the governor of a commission of three to declare what are unreasonably long hours for women or minors, what should be the standard of conditions of employment, and what wage is adequate for support and health. The law further states that one of this commission shall represent the interests of the employed class, one the interests of the employing class, and the third shall be fair and impartial between the employers and the employees. The commission has full power to make investigations, to subpoena witnesses, and to take testimony in any hearing.

If, after the hearing, the commission is satisfied that any "substantial number" of women are working unreasonably long hours, under surroundings detrimental to health, or for unreasonably low wages, they may call a conference the members and chairman of which are appointed by the commission. The conference shall be composed of not more than three representatives of the employers in the occupation under investigation and an equal number of employees in the same occupation and not more than three disinterested persons, representing the public, and one of the commissioners. This conference has the power of inquiring into the case investigated by the commission. It sits as a jury in the evidence presented by the commission. The commission must summon any witness whose testimony is deemed material to the subject of the inquiry by the conference.

Upon completing the inquiry, the conference reports to the commission its findings in the case and makes recommendations. The scope of the conference's inquiry may cover: (a) standards of hours of employment for women workers and what are unreasonably long hours; (b) standards of conditions of labor and what are detrimental to the health or morals of women workers; (c) standards of minimum wages for women workers and what wages are inadequate to supply the necessary cost of living and maintain health. The conference is authorized to recommend rates for piece work which will be adequate to supply the necessary cost of living and maintain the workers in health; also a suitable minimum wage for apprentices and learners and the length of time they may be kept at work as learners.

The commission may accept any or all of the report or disapprove any or all of it, and may recommit the case to the same conference or to a new one. If the commission approves the report it must give

four weeks' notice that on a certain date a hearing will be given at which all persons interested may be afforded a hearing. The commission's order is effective after sixty days and it becomes a misdemeanor for any employer to employ any woman worker in any occupation covered by the order of the commission for longer hours or under different surroundings or at lower wages than those authorized by the order. If any of the provisions of the order are violated the offender, upon conviction, shall be punished by a fine of not less than \$25 or more than \$100 or by imprisonment and fine at the discretion of the court.

The commission may make exceptions to the general minimum wage order in the case of a physically defective, crippled, or aged woman, by the issuance of a license authorizing her employment and stating the hours, wages, and conditions of employment. Provision is made that any woman working for less than the minimum wage may recover the difference between the wage she was receiving and the authorized minimum wage, and any agreement regarding compensation will not be defense against the action. Witnesses are protected from discrimination by the law's making it a misdemeanor for any employer to discriminate against any employee because she has testified, is about to testify, or may testify. Upon conviction of such discrimination the employer is fined not less than \$25 or more than \$100.

The Oregon law is an improvement on the Massachusetts law in that it is enforceable by other means than public opinion. There is no appeal from the commission on fact; great freedom is given it; even the findings of the conference may be rejected. Although Oregon is a new state, has but one large city and is not a manufacturing state, a very large number of women will benefit under the law. It is not inclusive enough and it remains yet to be shown how a voluntary commission will succeed, but it is a long step in the right direction and Oregon is to be congratulated. The next step will be to include men, heads of families, within the scope of the act.

*Washington State College.*

A. W. TAYLOR.

**WAGE SCALE BOARD OF THE DRESS AND WAIST INDUSTRY.** The recent strike of garment workers in New York city, which involved about two hundred thousand men and women, attracted the attention of the country, not only by its magnitude, but by the novel features which were introduced in its settlement.

Some two years ago, the manufacturers engaged in the production of ladies' cloaks and suits, after a long and bitterly fought contest

with their employees, negotiated an agreement<sup>1</sup> with the International Ladies Garment Workers Union, by which an elaborate machinery was created for the adjustment of disputes between the employers and employees in that industry. This agreement is still in force, and while it has not worked with perfect smoothness in all particulars, it has proved successful in preventing strikes and lockouts and in adjusting all disputes as to wages and other conditions of labor in a peaceful manner.

Following the example of the cloak and suit industry, the manufacturers of ladies' dresses and waists terminated the strike of last January by negotiating a similar agreement known as the protocol of peace with the International Ladies' Garment Workers Union, which adopts substantially the organization and machinery created in the cloak industry for the adjustment of grievances and disputes. In one respect the dress and waist industry has improved upon the cloak industry by creating a "wage scale board" consisting of four members from the manufacturers' association and four from the union, the functions of which are best described in the following quotation from article VII of the protocol:

Such board shall standardize the prices to be paid for piece and week work throughout the industry; it shall preserve data and statistics with a view to establishing as nearly practicably as possible, a scientific basis for the fixing of piece and week work prices throughout the industry that will insure a minimum wage, and at the same time permit reward for increased efficiency. It shall have full power and authority to appoint clerks or representatives, expert in the art of fixing prices, and its procedure so far as practicable, shall be the same as now followed by the board of grievances in the cloak industry. It shall have full power and authority to settle all disputes over prices, make special exemptions for week work where special exigencies arise, or a special scale is required.

Article VIII of the protocol provides that:

Immediately after the signing of this protocol, the wage scale board shall, at the expense of both parties, make a complete and exhaustive examination into the existing rates paid for labor, the earnings of the operatives, and the classification of garments in the industry, and shall report in writing within six months from the date hereof the result of its labors.

In carrying out this provision of the protocol, the wage scale board has engaged Mr. N. I. Stone, the statistician of the late Tariff Board, to conduct the investigation of the industry. So far as known, this

<sup>1</sup> A complete description of the agreement and its workings is given by Chas. H. Winslow in an article entitled "Conciliation, Arbitration and Sanitation in the Cloak, Suit and Skirt Industry," published in Bulletin 98 of the Bureau of Labor.

appears to be the first case on record of an industry investigating itself under the joint auspices of the manufacturers and the union, the two parties contributing equally to the expense of the investigation and the manufacturers agreeing to throw their books open to the investigators.

The object of the investigation will be, first, the ascertainment of the existing annual earnings and rates of wages of the different classes of employees in the industry, and second, the constructive work of standardizing the manufacturing processes employed in the industry, with a view to providing "a scientific basis for the fixing of piece and week work prices throughout the industry."

Another novel feature about this settlement is the fact that it is the union that has insisted upon the substitution of piece work remuneration in place of the week work system which prevailed in most of the factories before the strike.

Bulletin 116 of the federal Bureau of Labor Statistics is a study of *Hours, Earnings, and Duration of Employment of Wage-Earning Women in Selected Industries in the District of Columbia*, prepared by Marie L. Obenauer (Washington, April 8, 1913, pp. 68). This bulletin is a continuation of previous studies on women in industry found in volume V of the *Report of the Condition of Woman and Child Wage-Earners in the United States* (see AMERICAN ECONOMIC REVIEW, vol. III, p. 436) and in the bulletins of the Bureau of Labor, numbers 91 and 96. A considerable amount of the information is based upon visits to employees and the results show the necessity of checking up the returns of employers by data collected at first hand from workingwomen. Special inquiry was made in regard to overtime, vacations, and hours. Over four fifths of the women in department and retail stores work from 55 to 59 hours per week. The wages of nearly three fifths of the store women reporting were less than \$7 a week, and the average weekly wages of women in manufacturing and mercantile establishments was \$7.13.

The Department of Commerce and Labor has reported upon the federal workmen's compensation act of May 30, 1908, in a document entitled *Compensation for Injuries to Employees of the United States* (Washington, 1913, pp. 234). The data analyzed cover the three years 1908-1911. The number of employees brought under the act is 95,000, or one fourth of the total force. One half of the accidents fell under the operations of the Isthmian Canal Commission.

House Report No. 1441 of the Sixty-second Congress, third session, contains a collection of documents bearing on the subject of a *Federal*

*Accident Compensation Act* (pp. 218). It includes the report of the House Committee on the Judiciary, recommending amendments to Senate bill 5382 for the purpose of "liberalizing" the measure. To this is appended the report of the Employer's Liability and Workmen's Compensation Commission of February 2, 1912.

Bulletin 112 of the United States Department of Labor contains a compilation of *Decisions of Courts and Opinions Affecting Labor, 1912* (Washington, March 5, 1913, pp. 184). The introduction has an analysis of 30 pages by Lindley D. Clark.

The National Child Labor Committee has reprinted from the "Child Labor Bulletin" of November, 1912, an article on *Child Workers in Tenements* (105 East 22d St., New York, Pamphlet No. 181, pp. 47).

The Industrial Commission of Wisconsin has devoted several of its recent bulletins to the general subject of corporate organization for the prevention of accidents. Especially to be noted is the bulletin of February 20, 1913, vol. II, no. 1.

The *Twelfth Annual Directory of Labor Organizations in Massachusetts, 1913* (Boston, 1913, pp. 57), published by the Bureau of Statistics of Massachusetts, is of more than local interest as it contains a list of national organizations.

The *Third Annual Report of the National Employment Exchange, New York*, for 1912 (30 Church St., New York, pp. 36) again acknowledges that this agency is far from a business success. The per capita loss, however, in placing men has been lessened.

Bulletin No. 4 of the Massachusetts Industrial Accident Board contains the minutes of a conference on *Medical Service under the Workmen's Compensation Act* (Boston, April, 1913, pp. 17) at which 78 physicians were present. The law permits insurance companies to choose the visiting physician, but under a working agreement the patient is allowed the privilege. As a result, there have been occasional excessive charges. A committee was appointed to consider the difficulties.

A recent bulletin of the Industrial Commission of Wisconsin contains a report on *The Wisconsin Free Employment Offices* (Madison, May 20, 1913, vol. II, no. 9, pp. 193-238). The work of these agencies is analyzed for the ten-year period, 1901-1911. The commission's judgment as to their usefulness is on the whole favorable.

Further evidence in regard to the Lawrence textile strike early in 1912 is to be found in the *Annual Report of the State Board of Con-*

ciliation and Arbitration of Massachusetts for 1912 (Boston, 1913, pp. 144).

A new edition of *The Principles, Objects, and Methods of the Labour Association*, by E. Vansittart Neale (6 Bloomsbury Square, London, W. C., 1913, pp. 15) has been printed. The original statement was issued in 1885. The *Twenty-Seventh Report, 1912*, relates to the progress of co-partnership during the past year (pp. 43).

The Commonwealth Bureau of Census and Statistics, Melbourne, Australia, has issued a second report on *Trade Unionism, Unemployment, Wages, Prices, and Cost of Living in Australia, 1891 to 1912*, prepared by G. H. Knibbs (April, 1913, pp. 77).

### Money, Prices, Credit, and Banking

According to Bulletin 114 of the United States Bureau of Labor Statistics on *Wholesale Prices 1890 to 1912* (Washington, 1913, pp. 160) wholesale prices averaged 3.4 higher in 1912 than in 1911. An appendix deals with relative wholesale prices, 1860-1912, continuing some of the analyses of the Aldrich report on prices.

The Department of Labour of Canada has issued its third report on *Wholesale Prices Data, 1912*, prepared by R. H. Coats (Ottawa, 1913, pp. xvii, 255). In 1912 the level of prices was lifted from 127.4 in 1911 to 134.4. In retail prices the advance was 5.8. This report, like its predecessor, is of more than local interest as it contains data in regard to price movements in other countries.

Bulletin 115 of the United States Bureau of Labor Statistics covers *Retail Prices 1890 to February, 1913* (April 8, 1913, pp. 168). This tabulation is restricted to prices of food products and coal.

The Library of Congress has published *Additional References on the Cost of Living and Prices* (Washington, 1912, pp. 120). This is a supplement to a list published in 1910. Especially to be noticed is the list of journals where current prices of commodities are to be found and a tabular statement of sources of index numbers of leading countries.

As a result of the wage agreement in May, 1912, between the coal operators and the mine workers, there was a general increase in prices of anthracite coal. In order to determine how far these increases benefited the workmen, Congress ordered an investigation by the Department of Commerce and Labor, and the report of this has now been published (Washington, March 1, 1913, pp. 128).

*The Third Annual Report of the Superintendent of Banks of Cali-*



for *nia*, 1912 (Sacramento, 1912, pp. 509) is more than a routine report. It shows an active effort to enforce laws and discloses weaknesses in banking practices which are frequently glossed over.

The *Eleventh Biennial Report of the Bank Commissioner of Kansas for 1912* (Topeka, pp. 58) declares that the guaranty law "has been a success in every sense of the word." Reference is made to the new requirement of examinations of bank cashiers.

The *Twenty-first Annual Report* of the secretary of the state banking board of Nebraska, 1912 (Lincoln, 1913, pp. xxx, 348), also gives testimony as to the success of the guarantee feature of the state banking law which was enacted in 1909. Certain amendments are proposed. The guarantee fund in January, 1913, amounted to \$774,000.

In the *Annual Report of the Superintendent of Banks Relative to Savings Banks, Trust Companies, Mortgage Loan and Investment Corporations, Safe Deposit Companies, and Personal Loan Associations, for 1912* (Albany, 1913, pp. 644) a severe criticism is made of the departure of savings banks from their original purpose. "Competition in these industries has attained such proportions that they have almost outgrown the idea of their originators that savings banks should be institutions of philanthropic or beneficent character." Advertising campaigns have driven institutions to pay excessive dividends. Other evils are pointed out.

*A Plan for the Organization of a Rural Banking System in the State of Virginia*, by Charles Hall Davis, has been printed as Senate Document No. 1006 (62 Cong., 3 Sess., Jan. 14, 1913, pp. 32). The author, an attorney-at-law of Petersburg, Va., welcomes criticism of the proposed plan.

The United States Mortgage and Trust Company has issued its 1912 edition of *Trust Companies of the United States* (New York, pp. 442). The tabulation follows the form of its predecessors and assembles data nowhere else to be found. During 1912, 1579 companies reported, as compared with 1616 in 1911, the decrease doubtless due to the formation of mergers.

An address by James G. Cannon, president of the Fourth National Bank in New York, delivered before the Chamber of Commerce of Syracuse, in March, has been printed in pamphlet form under the title *Clearing Houses and Currency, No. 1* (pp. 23). Mr. Cannon again calls attention to the facilities which might be rendered by clearing house associations in providing currency.

*The Annual Report for 1912 of the Jewish Agricultural and Industrial Aid Society* (174 Second Ave., New York, pp. 64) shows the expanding operations of an agency for agricultural credit, referred to by Professor Kemmerer in his article on "Agricultural Credit in the United States" (see *AMERICAN ECONOMIC REVIEW*, vol. II, p. 852). In 1912, 390 loans were made, amounting to \$238,000. The average loan was about \$600. The total number of loans in thirteen years was 2568, made to 2266 farmers, occupying 1886 farms, distributed over 28 states and Canada; 405 loans were made in North Dakota. The work of the farm labor bureau is also described.

### Public Finance

**FINANCIAL STATISTICS OF CITIES.** The census reports on the financial statistics of cities having a population of over 30,000 for the years 1909 and 1910 appeared within a few weeks of each other, on account of delay in printing the report of 1909. These reports continue the series first begun by the Department of Labor in 1898 and taken over by the Census Bureau in 1903. In the report for 1909 the discussion of accounting terminology and the scheme of classification have been considerably revised; and these features are substantially the same in the report for 1910. The report for 1909 includes 158 municipalities; that for 1910, based on the population census of that year, includes 184 municipalities.

Preceding the detailed tables of statistics, there are about 90 pages of text, explaining the terms employed, and presenting a general description of the tables. The detailed tables in the 1910 report cover more than 200 pages dealing with revenues and governmental costs, receipts and payments, and assets and liabilities, classified and subdivided in considerable detail, with summaries and per capita statistics on certain points.

As pointed out in the introduction, the task of preparing these reports involves many difficulties, due to differences in municipal organization, the lack of uniformity in accounting systems, and wide variations in methods of conducting business in so large a number of cities. Among the most valuable results of this work of the Census Bureau has been that of attracting the attention of local officials to the importance of improvements in accounting methods, and to the desirability of uniformity, so as to make possible comparable data.

Valuable as these reports are, some suggestions may be made for the purpose of making the information more readily available. It may be questioned whether the census classification has not been made too

elaborate—at least for the smaller cities—as indicated by the numerous blanks in many of the tables. A large gain in effectiveness would be secured by making some changes in the form of the tables. As now arranged, the list of cities is given in successive lines, while the various items of revenues, payments, etc. appear as column headings in a series of tables running throughout the report. Under this plan, the information about each city is widely scattered, and it is very difficult to secure a comprehensive idea of the financial situation of any city. A summary of the transactions, showing all the more important items, could be arranged within the limits of two pages, giving each city a separate column. This arrangement is used in the *Statistics of Municipal Finances* published by the Massachusetts Bureau of Statistics; and a similar arrangement of the census data would add greatly to its usefulness. Such a summary might contain all the data desired for cities below 50,000; confining the more detailed items to additional tables for the larger cities.

JOHN A. FAIRLIE.

The President's Commission on Economy and Efficiency has issued Circular 32, *The Administrative Purpose of the Accounting Methods and Procedures which have been Installed in the Departments* (Washington, 1913, pp. 13) and Circular 33, *Conclusions Reached with Respect to Expenditure Accounting and Reporting. A Discussion of the Information Needed and of the Methods Recommended as a Means of Producing It* (Washington, 1913, pp. 53). Circular 32 discusses the general need of standard accounting methods in the different departments of the United States government and outlines the general principles that should be followed in all departments. Circular 33 makes a more technical analysis of the plan recommended. Absolute uniformity in subsidiary accounts is not sought, and particularly is this true of rulings and forms of registers, files, etc. But the purpose is to have all departments keep the same principal accounts and to make periodical financial reports which shall have a common basis of comparison. More especially the purpose is to give the administrator definite control of financial operations and results.

The plan has a threefold mechanism: (1) Provision is made for a general ledger, in which any one account will represent a summary of particular kinds of transactions; this ledger contains only "controlling" accounts, which serve to give a clear panoramic picture of all the operations in the department. (2) Connected with the above are a number of subsidiary or detail ledgers; each account in the

general ledger represents a summary of a particular detail ledger. Thus, accounts receivable in the first "controls" the accounts receivable ledger, in which all the separate personal accounts are kept; the balance of accounts receivable in the first equals the sum of the individual balances in the second; at the end of a day or period, a single debit or credit to accounts receivable in the first equals the sum placed to all the individual accounts in the second. (3) Files should be kept containing the original record or evidence of every transaction; they should be classified so as to serve their purpose but with each class arranged in chronological order and each item definitely connected by cross references with the detail ledger in which it appears.

The general ledger is divided into two parts: (a) appropriation and fund accounts; and (b) assets, expenses, liabilities, reserves, and capital accounts. Periodically, a balance sheet is to be taken from these accounts, showing the financial standing of the department at the time. The system of accounting as described appears excellent, but the balance sheet in the form presented is open to serious criticism. To correspond with the general ledger, the balance sheet appears in two parts, the first devoted to appropriations and funds, and the second to assets, expenditures, liabilities, and capital accounts. The two parts are not definitely connected so as to show a total summary of conditions. In the second part, expenses are added in with assets, resulting in a confused total. Without special analysis, it is impossible to get the sum of the assets in charge of the department, or the sum of liabilities. The balance sheet is not clear and falls considerably short of the best issued by commercial concerns.

JOHN BAUER.

TAX SYSTEM IN THE DISTRICT OF COLUMBIA. Moved, apparently, by criticisms to which the present government of the District of Columbia has been subjected from various quarters, President Wilson has recently consulted municipal experts with a view to making Washington a kind of model city, a standard of efficiency and an object lesson for American cities generally. Assuming that popular rule, more or less adulterated with partisan politics, has failed to solve our municipal problems, one naturally looks to Washington for the development of the ideal city. It should be free from the evils of machine politics, for the residents have no voice in municipal affairs. Half of its expenditures are already borne by the federal budget, and property values are high enough to produce large revenues without excessive taxation. The conspicuous position of the city of Wash-

ington is another reason for using it as a model of efficient municipal administration.

Quite apart from the question of undertaking any such ambitious scheme of improvement, it is apparent that the tax methods of the District are in need of immediate overhauling. An amazing amount of inefficiency and injustice in the assessment of property for taxation is revealed in *Hearings Before a Subcommittee* (pp. 456) and *Report on Assessment and Taxation of Real Estate in the District of Columbia* (H. Rept. No. 1215, 62 Cong., 2 Sess., 1912, pp. 40). Stated in a single sentence, the committee found that "real estate is assessed irregularly, unscientifically, without system, and with gross discrimination between section and section, between class and class, between land and improvements." The law provides for triennial assessment of real estate, the separation of ground values from the value of improvements, and assessment at "not less than two thirds" of the true value. It was found that improvements are actually assessed at two thirds of their value, but that land is listed at only one third of its value on the average. The assessment of improvements, however, is far from uniform. Forty thousand small homes of government clerks and workingmen are valued at 90 per cent of their true value, while the residences of the wealthy in fashionable sections of the city are assessed at only 50 per cent. Ground value assessments showed an even greater discrimination against the smaller properties, for while the land occupied by small homes is taxed at 60 per cent of its true value, sites occupied by fine dwellings and business buildings pay taxes on but 30 per cent of their value. The speculative suburban area also bears less than a third of its proper burden.

No one familiar with the workings of the general property tax in American cities will be greatly surprised at these conditions. The unique feature of the Washington situation, however, seems to be that these gross discriminations are the result of a deliberate policy. In the triennial assessment of 1909 the ratio of ground values to improvement values was 55 to 45, while in the 1912 assessment the ratio was 51.3 to 48.7<sup>1</sup>, a result reached by a strange manipulation of the assessors' field books, which showed upon examination:

Page after page of systematic and uniform erasures and substitution of figures, reducing assessments already determined and entered at an advance in the speculative areas, and raising assessments already determined and entered, on small homes. Square after square of small houses already highly assessed—where there were absolutely no new buildings and no repairs and where depreciation is rapid and marked—were increased 20, 25 and 30 per cent.

<sup>1</sup> Improvements added for the year 1912-13 place improvement values above land values for the first time in twenty years.

Similar manipulations occurred in the case of property about to be taken by the government in condemnation proceedings. Many concrete cases of gross underassessment of the real estate owned by wealthy and influential individuals are cited in the report of the committee and in its published hearings. Altogether, the condition appears to demand not only improved administrative methods, but also remedial legislation.

Several fundamental defects in the tax system of the District are held by the committee to be accountable for this extraordinary laxness, inefficiency, and favoritism. The assessor and his assistants have practically life tenure and act as a board of review to pass upon their own assessments. The law requires that each piece of property shall be "personally viewed" by the assistant assessors collectively—a requirement which can be complied with only in the most perfunctory manner. The law is also at fault in constituting the assistant assessors an excise board, which subjects them to a double pressure from the brewery and saloon interests. The assessors' office employs none of the modern methods of valuing land or improvements, depending on "naked judgment" and rule of thumb. No attention at all is paid to business leases or actual purchase prices.

Eight specific recommendations for administrative changes and nine for legislative action are submitted along with the findings of the committee.

C. C. W.

REVISION OF TAX LAWS IN PENNSYLVANIA. A committee in continuation of one with similar powers appointed by the legislature of 1909 made a report in 1911, but found the double subject of corporate and revenue laws so vast that it asked to be continued and has now submitted its second report (*Report of the Joint Committee of the Senate and House of Representatives of the Commonwealth of Pennsylvania to Consider and Report upon a Revision of the Corporation and Revenue Laws of the Commonwealth to the Legislature*, Harrisburg, January, 1913, pp. 245, 184).

In studying the corporation laws of the state it was found advisable to limit the investigations and recommendations to private business corporations, excluding public service, insurance, banking, building and loan, and similar corporations, as well as corporations not organized for profit. The proposals constitute primarily a codification and simplification of the act of 1874, with its many amendments and supplements. Several important changes have been suggested, however, among which the following should be mentioned: (1) To bring Pennsylvania's law into harmony with the practice in

most states it is proposed to give corporations authority, which they do not now have, to engage in more than one kind of business. (2) At present the law does not require that any definite amount of capital stock shall be subscribed before the corporation begins business. The committee recommends that a subscription of at least 50 per cent should be required. (3) Another change proposed would prohibit a corporation from purchasing its own shares unless they are paid for in full and the purchase price taken out of surplus. It is also proposed to prohibit the holding of more than 20 per cent of the stock of another corporation. (4) As a remedy for stock watering, the committee suggests measures designed to prevent the issuance of stock and bonds greatly in excess of the real value of the property received, or labor and services contributed. It is further proposed that in the consolidation of corporations the paid-up capital stock issued shall not exceed the total amount of paid-up capital stock of the consolidating companies.

The Republican state platform of 1912 called for some regulation of "investment companies." The committee, after a careful consideration of possible remedies, urges the enactment of a statute based on the Kansas "Blue sky" law. This would put all corporations offering their securities to investors under the supervision of the banking commissioner, who would issue a license to companies whose financial condition and business methods he approved. To sell securities without this license would be an offense. The committee also goes a step further than the Kansas law by attempting to protect the public against investment brokers, who would also be required to procure a license from the banking commissioner.

The part of this report devoted to state finance is in the main a perfunctory performance. The first section, of about 70 pages, devoted to the objects upon which the state revenue is expended, offered an excellent opportunity for a careful analysis of the cost of state government. For some inscrutable reason the only expenditures to which more than passing reference is made are those for charities. In the years 1911 and 1912, \$6,249,500 was appropriated for the support of 275 institutions. About half of this amount was spent by private institutions over which the state exercises only a general, and apparently inadequate, supervision. This state subsidy to private institutions has been repeatedly condemned by the Conference of Charities and Correction, yet the present committee opposes even the gradual reduction of these appropriations. The soundness of the economic and social policy actuating the committee in this matter might be questioned. The report says:

Such objects of state expenditure as highways and schools are of great importance, but they must, under any relation of revenue and expenditure, be of vastly secondary importance to the care of the poor and suffering. The wealth of our state depends in great part upon industry and manufacturing, and these produce more than their share of accidental deaths and injury. They attract foreign laborers, who will in time become useful citizens, but who on their introduction to this country contain more than their share of the dependent classes.

In discussing the "need for increased revenues" several more institutions for dependents and delinquents are called for. The need of money for state highways, in order that Pennsylvania may not fall behind her sister states, is made to appear most urgent. That she is already far behind her neighbors in school expenditures is admitted; a study made by the Russell Sage Foundation is quoted to show that Pennsylvania ranks twenty-third in general efficiency among our state school systems and twenty-sixth in expenditure for children of school age, the total state expenditure being about \$3,750,000 a year.

Many of the recommendations for changes in the revenue laws are of relatively little importance, though the following are not without some general interest: (1) It is recommended that the mercantile license be continued, one half to be returned to the counties; (2) foreign insurance companies to be taxed on the same basis as domestic companies, to relieve the latter from retaliatory rates; (3) the extension of the gross receipts tax to certain public service corporations, such as transfer, gas, water, and water-power companies, all of which compete with companies already subject to such a tax; (4) the continuance of the policy of exempting manufacturing companies from the capital stock tax, for the sake of advertising the state and inducing manufacturers to locate there; (5) following the recommendation of the committee in its first report, the legislature in 1911 proposed a constitutional amendment to permit graded tax rates. This amendment is now declared to be "the greatest single measure of tax reform now before the people of the state," and the legislature is urged to submit it to a referendum in November, 1913.

To secure greater efficiency in the collection of taxes, steps in the direction of a centralization of the tax machinery are planned, along with a more liberal distribution of state taxes to local governments.

At least one of the committee's recommendations has some little significance for the residents of other states, and that is the levy of a tax of  $2\frac{1}{2}$  per cent ad valorem on anthracite coal as prepared for market. Pennsylvania has a monopoly of anthracite, but the supply is rapidly being exhausted. The committee assumes, for some unex-



plained reason, that such a tax would be added only to the retail price of coal consumed outside of the state; in any case, as is pointed out, only 20 per cent of the output is sold in Pennsylvania.

C. C. W.

DEBT RESTRICTIONS IN MASSACHUSETTS. Speaking in condemnation of the enormous accumulations of municipal debt in this country, the late Justice Brewer once remarked that in his opinion the worst of all the trusts is "trust in the future." Indications are multiplying that our municipalities have reached a point where safety and justice demand a wider application of the "pay-as-you-go" policy. This problem of ever-increasing requirements for interest and debt payments in municipal budgets is attacked with courage and thoroughness in a *Report of the Joint Special Committee of the Massachusetts Legislature on Municipal Finance* (Doc. No. 1803, January, 1913). This was a recess committee appointed in 1912 to investigate the limit of municipal debt and taxes, the length of time for which municipalities should be allowed to borrow, and other related questions. An unusually thorough investigation resulted, the committee having sat for 74 days and held 101 sessions.

Thirty-two specific recommendations are submitted, from all of which, however, Boston is exempted, because its affairs are managed under special laws that could not well be made applicable to other cities. One of the important changes proposed is the abolition of statutory limitation on the amount of taxes which cities may assess, giving to each city the right to fix its own tax limit by ordinance. Mayors, according to another recommendation, would be entrusted with the duty of preparing an itemized budget, the city councils having power to decrease, but not increase, items; appropriations to be exceeded only in case of emergencies involving health and safety.

The law governing municipal debt in Massachusetts was originally passed in 1875 to check an abnormal increase in municipal indebtedness at that time. Special legislation, however, has for a long time served to defeat the purpose of the general statute. A study made by the Bureau of Statistics showed that in 1909 about 30 per cent of the taxes assessed went to pay interest charges and other debt requirements. Much of this debt burden was incurred for current expenses, a practice which the committee rightly condemns, believing that debt should be incurred only for permanent improvements and that all loans should be paid without fail during the life of the improvement. The committee is also to be commended for taking the position that where, as in the larger cities, certain permanent improve-

ments recur annually, they should be paid for out of current revenues and not out of loans.

The committee would leave the debt limit practically unchanged, that is,  $2\frac{1}{2}$  per cent of the average property valuations for the three years preceding in cities, and 3 per cent in towns. Perhaps the most significant recommendation made in the entire report is that the law giving cities and towns authority to establish sinking funds for the payment of debts be repealed, so that all future borrowings would have to be paid by the "serial payments method," which has been optional with towns since 1882.

It appears that many cities and towns have been in the habit of appropriating trust funds for general purposes without replacing them, a practice which the committee condemns, of course, and seeks to prevent in the future. In the assessment and collection of taxes several changes are suggested. The one of most general interest provides that "assessors be appointed by the mayors of cities and the selectmen of towns, the appointments to be subject to the approval of the state tax commissioner." A special effort was made to look carefully into the methods of local assessment. A part of the inefficiency found is attributed to the meager compensation of assessors and the shortness of the time allowed for their work. Its chief cause, however, is traced to local political influences. These the committee hopes to eliminate by having all assessors appointed, appointments to be subject to the approval of the state tax commissioner who would also fix their number and their compensation and have the power of removal. Although it finds a general underassessment, due to adopting old valuations, and to the desire to keep down the state taxes and to encourage property to locate in a given place or to keep it from leaving, the committee does not seem to have any remedy to propose. The tax map method is spoken of as "practically indispensable," yet no specific legislation is suggested to extend its use. C. C. W.

NEW YORK STATE FINANCES. In the single decade from 1902 to 1912 the expenditures of New York state have more than trebled, amounting last year to \$74,428,838. This startling increase Governor Sulzer determined to have investigated and on January 6, 1913, appointed a committee of inquiry to discover opportunities for securing economy and efficiency. After a sixty-day examination of the different state departments the committee reported (*Report of the Committee of Inquiry to Governor William Sulzer*, Albany, March 24, 1913, pp. 119) that the business of the state was run with no systematic plan whatever, work being duplicated and expenditures un-

necessarily multiplied. The principal remedy proposed was the creation of the office of commissioner of efficiency and economy, with power to examine all expenditures and make recommendations. A state board of contract and supply, with the duty of purchasing supplies for every department, was also proposed. With a view to the improvement of the budgetary system various proposals were made, the most important one being the creation of a state board of estimate.

Thirty-five bills in all were prepared and submitted to the legislature by the committee. Eleven of these were enacted, twenty-three were lost, and one was vetoed. The bill providing for a department of efficiency and economy was passed and Mr. John H. Delaney, a member of the committee of inquiry, has been appointed commissioner, with another member of the committee as one of the deputy commissioners. A board of estimate was also created, to consist of the governor, lieutenant-governor, president pro tempore of the senate, chairman of the finance committee of the senate, chairman of the ways and means committee of the assembly, speaker of the assembly, the comptroller, the attorney general, and the commissioner of efficiency and economy. The governor is president and the commissioner of efficiency and economy is secretary of the board, which is charged with the duty of preparing and recommending to the legislature detailed estimates of appropriations, as well as estimating the revenue for each fiscal year and making appropriate recommendations. The proposed board of contract and supply was not established.

One important feature of the committee's inquiry was the discovery that, because of errors in calculations, the annual appropriations for the canals and highways sinking funds have been in excess of the amount required for interest and amortization, with the result that the burden of debt payment has been thrown upon those who pay taxes for the first few years of the life of the debt. To relieve this situation it was proposed to reduce the annual contributions to the sinking fund until the error is rectified.

C. C. W.

**TAXATION IN RHODE ISLAND.** The tax act of 1912 made a number of changes in the tax system, some of which were radical in character. The board of tax commissioners (three in number), itself created by the act, in its first annual report discusses the more important of these changes as follows:

(1) A reduction of the state tax against cities and towns (from 18 cents to 9 cents per \$100 of local valuation).

(2) Uniform blanks for local assessment rolls.

(3) The separate valuation of land, buildings and improvements, tangible personalty and intangible personalty.

(4) The imposition of a flat rate of 40 cents on each \$100 of valuation of intangible personal property (levied by local assessors except as noted in 5, 8, and 9).

(5) Relief of savings and participation accounts from taxation in the hands of the holder.<sup>1</sup>

(6) The taxation of tangible personalty where found, with no offset for indebtedness.

(7) No offset of indebtedness except against money on hand, at interest or on deposit, and debts due from others.

(8) The application of the corporate excess method of taxation to manufacturing, mercantile and miscellaneous corporations, banks, trust companies, and banking associations (other than savings banks) in lieu of a tax upon the securities of such corporations in the hands of the holder.

(9) The application of the gross earnings tax to public service corporations, in lieu of a tax upon their securities in the hands of the holder, at the rate of 1 per cent, except for telegraph, telephone and cable companies (2 per cent) and express companies (3 per cent). Telegraph, telephone, express and street railway companies had been subject to a tax of 1 per cent on gross earnings under previously existing law. The new tax was additional in the case of the street railway companies, but not in the case of the other companies mentioned.

(10) The reduction in the rate of taxation on mutual fire insurance companies.

(11) The return by local assessors of all exempt property to the board of tax commissioners.

The new sources of revenue created for the state by the act of 1912 were as follows:

Taxation of corporate excess of manufacturing, mercantile and miscellaneous corporations.....	\$534,824
Taxation of shares of banks and trust companies.....	70,878
Taxation (additional) of gross receipts of public service corporations .....	182,858
Taxation of lessees of oyster lands.....	13,164
	<hr/>
	\$801,726
Deduct approximate amount of loss to the state by reduction of state property tax (difference between amount assessed in 1911 and 1912).....	453,504
	<hr/>
Net increase in state revenue due to act of 1912.....	\$348,222

<sup>1</sup> The previously existing tax of 40 cents on each \$100 of such deposits, assessed on the bank, is continued.

This net increase amounted to 13.7 per cent of the total state revenue collected in 1911.

The following figures for local taxation and valuation are based on returns from thirty-seven of the thirty-eight towns and cities of the state, one town having failed to make returns.

The general property tax in 1911 amounted to \$7,886,377. Deducting from this \$939,265 assessed on account of the state tax, there was left for the local treasuries \$6,947,112. The valuation was \$534,486,444, giving an average tax rate of \$1.476 on \$100.

In 1912 the total tax less exemptions was \$7,950,099, deducting from which \$506,617, assessed for the state, there was left for the local treasuries \$7,443,482, an increase over 1911 of \$496,369, or over 7 per cent.

The valuation in 1912 was as follows:

Land .....	\$169,245,213
Improvements .....	245,375,479
Tangible personalty .....	92,946,515
	<hr/>
	\$507,567,208
Exemptions .....	7,240,651
	<hr/>
	\$500,326,557
Intangible personalty .....	91,056,529
Exemptions .....	22,350
	<hr/>
	\$91,034,179
Total less exemptions.....	\$591,360,736

This would give an average of \$1.344 on \$100. On intangible personalty the rate was 40 cents, and on tangible personalty and real estate \$1.516. Thus an increase of over 7 per cent in local revenue was secured while at the same time the average tax rate on all property was reduced 9 per cent, the rate on real estate and tangible personalty being increased less than 3 per cent.

A measure of the results of the new system might also be obtained by estimating the increase in the tax rate which would have been necessary to produce the additional \$496,369 under the old system. Assuming that the increase in the valuation of personal property in 1912 would have been about the same as in 1911, the raising of this additional revenue would have required an increase of over 6 cents per \$100, or over 4 per cent as compared with the rate of 1911. From whatever point of view it is regarded, therefore, the act of 1912 has affected favorably the finances of the towns and cities as well as the finances of the state.

All but four towns (with a combined population of less than 15,000) of the thirty-seven making returns showed an increase in tax revenue in 1912 as compared with 1911. Two of the four towns reduced their tax rates on real estate and tangible personalty from \$1.20 to \$1.00 and from \$1.24 to \$1.10 respectively. Of the thirty-three towns which showed an increase in tax revenue, six (including the city of Newport) increased the rate on real estate and tangible personalty, two reduced their rates, and the rates remained unchanged in twenty-five towns, including five of the six cities in the state.

It is impossible (owing to the lack of distinction between tangible and intangible personalty before 1912) to determine exactly how far the reduction in the rate on intangible personalty increased the assessment of such property. The valuations of personalty made by the local assessors in thirty-seven towns were: 1910, \$123,920,714; 1911, \$128,354,038; 1912, \$184,003,045, of which \$92,946,516 was tangible and \$91,056,628 intangible. Allowing for the increase which would probably have taken place under the old system, it is safe to estimate the increase due to the act of 1912 at approximately \$50,000,000. While a portion of this increase was doubtless due to the fact that under this act all tangible personalty was assessed where located, whereas previously only the tangible personalty of corporations was so assessed, and to the fact that the privilege of offsetting debts against tangible personalty was withdrawn, it is safe to assume that a large portion of the \$50,000,000 increase was due to the more complete assessment of intangible personalty. It must be remembered also that the act of 1912 withdrew from local assessment shares in all corporations subject to the state tax on corporate excess, bank shares, the shares of public service corporations subject to the tax on gross receipts, and deposits in savings banks and on participation account, all of which were previously, in theory, subject to local assessment. It is impossible to estimate the amount of these withdrawals, but whether or not the estimate of the board (\$300,000,000) is too high, it is certain that they represented a very large sum. Another change which tended to keep down the assessment of intangible personalty was the restriction to this class of property, exclusively of the privilege of offsets for debt. In view of these facts, the increase in the assessment of intangible personalty by local assessors during the first year of the new system is encouraging if not startling.

It would be interesting to know whether returns of property for taxation by taxpayers had increased in number, but the report throws no light on this question.

The new law has worked well in its first year and should show even better results as taxpayers and administrative officials become more familiar with its provisions.

The changes recommended by the board are of minor importance on the whole, chief among them being to assess tangible personalty on the basis of the average amount held during the year rather than on the amount held at a fixed date; to make the holders of such property liable for the tax when the owner is unknown; to exempt, on farms, a certain amount of livestock, tools, machinery used, and products stored; and to substitute a tax on gross receipts for the corporate excess tax, in the case of foreign manufacturing corporations transacting a mercantile business only in the state. H. B. G.

During the third session of the Sixty-second Congress the committee on expenditures in the Treasury Department took testimony on the subject of *Interest on Public Deposits* (Washington, 1913, pp. 168, 24 folded tables). There is a large amount of statistical data extending back to 1864, and tables showing the amounts carried by each bank at different periods. Treasury experts testified at the hearings. The committee severely criticises the present method whereby the government loses a large amount of revenue.

On March 1, 1913, President Taft transmitted a report prepared by the Librarian of Congress on the *Archives of Government Offices Outside of the City of Washington* (H. R. No. 1443, 62 Cong., 3 Sess., pp. 219). Reports show the character and location of manuscript material of the Treasury Department, Internal-Revenue Service, Mint, and Customs Service.

An index of the recent hearings before the Committee on Ways and Means on the *Tariff Schedules* has been issued as Volume 7 (62 Cong., 3 Sess., H. R. No. 1447, 1913, pp. 6347-6494). See REVIEW, vol. III, p. 472.

Mr. Harvey S. Chase, in a recent address on *The National Budget on the Expenditure Side* presents in compact and popular form some of the conclusions of the President's Commission on Economy and Efficiency in regard to methods of proposing a governmental budget. The estimated expenditures for 1913-14 are classified by: (1) purposes; (2) character of expenditures; (3) organization units; (4) acts of appropriation (Boston, H. S. Chase, 84 State St., pp. 14).

The *First Annual Report* of the Colorado Tax Commission, 1912 (Denver, 1912, pp. 288) describes the state tax system and makes recommendations. There are several pages of criticism of the federal

conservation policy, whereby, it is claimed, the development of the state is retarded.

The *Fourth Report of the Tax Commissioner of Texas for 1912* dwells upon the defects of the existing tax system, and recommends the separation of state and local sources of revenue (Austin, 1912, pp. 55).

A *Report of the Joint Legislative Committee of the Forty-seventh General Assembly Appointed to Take Up the Matter of Making a General Revision of Laws Pertaining to County and Township Organization and Those Relating to Roads, Highways, and Bridges for the State of Illinois* (Springfield, 1913, vol. I, pp. 129; vol. II, pp. 219) contains a history of road taxes in Illinois, by E. J. Brown, and a summary of the road legislation in the United States. The second volume is especially devoted to a history of local government in Illinois, prepared by Professor John A. Fairlie, chief clerk of the joint committee.

A *Report on the Examination of the Accounts and Methods of the Office of the Sheriff of New York County* has been made by the commissioners of accounts (280 Broadway, New York, April 28, 1913, pp. 25). An attempt has been made to fathom the mysteries of this branch of local finance. During the first six months of the years 1911 and 1912 the sheriff's fees increased approximately \$12,000 a year, and the sheriff received a far larger sum than the mayor of New York city.

A subcommittee of the board of taxes and assessments of New York city has made a brief report on *Taxes of Personal Property in New York State from 1880 to 1913* (Department of Taxes and Assessments, New York, 1913, pp. 7). The object of the report is to show: (1) The large revenue derived from special taxes on classified property in place of the old uniform personal property tax; (2) a larger revenue is derived from these special taxes than could be had by levying the personal property tax either at the current local rates or at a low rate such as 3 mills; (3) under the classified tax policy of New York the proportion of taxes paid by real estate has been greatly decreased; and (4) the passage of the secured debt law has not resulted in any loss of revenue but has found new revenue.

Under date of March 15, 1913, William A. Prendergast, comptroller of the city of New York, issued a report on a proposed system for *Central Purchase and Distribution of Supplies for the City of New York* (pp. 72). A description is given of the present method of



purchasing municipal supplies for which a central bureau is recommended.

The efficiency division of the civil service commission of Chicago has published *Analyses of Employment and Statistics Showing Departmental Organization and Distribution of Employees, City of Chicago, March, 1913* (pp. 99). This is supplemented by elaborate blue-print charts which will prove suggestive to students of municipal finance.

The Merchants' Association of New York has printed its *Recommendations Relative to the Administration of the Underwood Tariff Bill* (pp. 14) and also *Supplementary Recommendations* (June 3, 1913, pp. 26).

The Division of Education of the Russell Sage Foundation has prepared *A Comparative Study of Public School Systems in the Forty-Eight States*, which has a large amount of statistical data and numerous diagrams, showing among other things expenditures and investment in plant (400 Metropolitan Tower, New York, pp. 32).

### Insurance and Pensions

MASSACHUSETTS REPORT ON WIDOWS' PENSIONS. In postponing legislation upon the subject of pensions to widows with dependent children until a state commission could study the question and report, Massachusetts set a standard that other states would do well to follow. But the hope that the Massachusetts commission would furnish a report that might also be accepted in other states as a standard method of inquiry has not been fulfilled. The volume in hand (*Report of the Commission on the Support of Dependent Minor Children of Widowed Mothers*, H. Doc. No. 2075, Boston, 1913, pp. 189) contains (1) a report of the commission signed by two members only (pp. 9-34); (2) a minority report (pp. 35-36) signed by the third member, who charges that the data upon which the report was based are wholly unreliable; (3) a copy of the bill called "an act to provide subsidies for children of indigent widows," which is recommended by the majority of the commission; (4) the report of the investigator employed by the commission to collect data regarding the present method of treatment of dependent children of widows; (5) two relatively unimportant appendices.

In discussing this report, two questions must be considered: (1) the character of the data submitted to the commission by its investigator and (2) the conclusions drawn from these data in the report of

the two members constituting a majority of the commission. In this review we are concerned rather with the investigator's report and the question of whether he submitted data sufficiently accurate and complete to serve as the basis of a report worthy of serious consideration. Although an exhaustive and painstaking inquiry was needed, the legislature appropriated the small sum of one thousand dollars for the work. When a commission is hampered by lack of funds, it may take any one of several courses; it may raise an additional sum by private subscription; or it may limit the scope of its inquiry; or it may content itself with merely collecting and recording impressions and opinions. The Massachusetts commission unfortunately refused to look the situation squarely in the face, and although acknowledging their inability to collect accurate data with so inadequate an appropriation, they decided to collect inaccurate data or what they are pleased to call "less accurate" or "less exact" data<sup>1</sup>, and to attempt to present statistics covering all of the children's agencies and all of the relief societies in Massachusetts.

The investigation falls into two sections: the first deals with the results of a questionnaire sent to all of the child-helping agencies of the state, public as well as private; the second with the results of a questionnaire sent to all of the relief-giving agencies of the state, public as well as private. Each child-helping society was asked to answer certain questions regarding the widows' children under its care at any time between January 1 and July 1, 1912. It seems scarcely necessary to point out that this method of investigation could not be expected to produce reliable data. The term "children's agency" is constantly used as if these agencies all made equally thorough investigations before taking children, were all equally capable of giving trustworthy information, and all had common standards as to what constituted an unfit mother. As a matter of fact, the agencies to which the schedules were sent were "both denominational and undenominational and operating both by the institutional and

<sup>1</sup> "Because of its small appropriation it was enabled to make a much less detailed and exact statistical study of the position of these widows than would have been desirable. Though believing that there are potent reasons of a non-statistical kind wherefore legislation should be recommended, the commission also believes that important inferences can be drawn from the special investigation made" (p. 11). "The resources of your commission did not permit it to secure its information by the personal visit of an investigator, hence the information must be less accurate than it might otherwise have been" (p. 12). "The commission believe that despite the limited accuracy of some of their relief statistics further study of the relief given by charities is not necessary" (p. 25).

placing-out methods," and they presented every possible difference in methods of work and in the efficiency of those in charge. Experienced social workers certainly would not agree with the statement of the commissioner's investigator that "these agencies know the causes on account of which they were willing to assume the care of these children. Presumably they are familiar with conditions in the families from which the children are taken. . . . This [information] is certainly the admission of these agencies, cheerfully given by their own officials, and therefore should be given credence" (p. 67).

Leaving the question as to whether this method of inquiry could possibly produce trustworthy data, two other points should be raised at the outset. The first is that the questions asked of the societies did not concern the children taken during the first six months of 1912, but all of the children that were under their care and supervision during this period. Efficient agencies that kept track of their children over a long period of years were, of course, reporting on causes of separation for very old cases, while less efficient societies that did not follow up the children placed out were reporting only on current or comparatively recent cases. But the commission was supposedly concerned only with what is happening today. Pension legislation would not be seriously recommended now because some children were mistakenly taken away from their mothers ten years ago. And yet the data from these old cases are counted in with those from current cases in spite of definite explanations like the following from one Boston agency, which, according to the report, handled ten children who should not have been removed from their mothers: "We have children from very few families that were broken up for financial reasons, and these we have had since the time when there was no such policy as exists now for the adequate relief of families in their own homes" (p. 79). The second point is that in view of the purpose of the report a mistake was made in treating the child and not the family as the unit.

It is interesting to ask just what light might have been thrown on the possible need of widows' pensions by a statistical inquiry. Suppose the data had been obtained not as the result of statements made by all kinds of agencies but as the result of inquiries made by impartial and competent investigators so that they might have been accepted as accurate. It would have been, in the first place, important to know not merely that 754 children were taken by the children's agencies, but the number of families represented; that is, the number of widows who were deprived of their children because there was at hand no organized relief agency, public or private, sufficiently competent to

prevent it. Other equally important questions naturally follow: Were these cases in which an entire family was broken up permanently? How many were cases of temporary removal of a single child in need of special care or attention? How many widows were deprived of their children for the cause of poverty alone, and because there was at hand no organized relief agency, public or private sufficiently competent to prevent it? Were the children taken as the result of a general policy of the most important children's agencies, public and private, or as the result of the work of a few incompetent societies that could be made to amend their ways? Such questions as these do not seem to be clearly answered by this report, even on the basis of the data that were furnished.

Table No. 2 shows 1,246 causes of removal for 754 children of widows. That is, some children were counted several times because "a child was reported taken not on account of one cause, but of a combination of two, three, or more causes." It is not easy to see why such a table should have been published. It might be taken for granted that the mothers whose children are cared for either by public or by private charity are destitute. The question at issue is whether these mothers were immoral, drunken or otherwise unfit, insane, in hospitals, unable to care for their children for any other reason than poverty. It would seem therefore to be unnecessary to consider these duplicate causes or to remark seriously on the basis of such a table that "insufficient income of mother and mother's absence from home at work are the two largest groups of causes and together constitute nearly 50 per cent of the total number" (p. 55).

True the report says that "a complete judgment" cannot be formed on the basis of this table, and further tabulation is made to eliminate the cases of children removed because of immorality, drunkenness, cruelty, or other forms of degradation. As a result 253 children are said to have been removed from mothers who according to the reporting agencies were "apparently proper persons" to care for them. In 43 of these cases, however, there was illness on the part of mother or child, and while it is quite true that illness in well-to-do homes is not a sufficient cause for breaking up families, it is also true that widows' pensions will not prevent the break-up of homes on the ground of illness; no widows' pension system will raise these homes to the level of sufficient comfort to provide for either mothers or children ill with tuberculosis or other contagious or incurable diseases except by removal to sanatoria. Eliminating these 43 cases of illness the number of children who were removed from mothers apparently fit to care for them was 210, in addition there are 25 other cases in

which the agencies "failed to answer in a positive manner" and although the report adds these to the number wrongfully taken away, there would seem to be no reason why they should be included. Although we are not told how many mothers are represented, assuming at least three children to a family, these 208 children may represent 70 families that had been broken up for poverty alone as against the 1,687 families kept together by the various relief agencies, and this group of 70 families includes, of course, families broken up by societies now using better methods.

The question, moreover, that should have been finally asked with regard to the families unnecessarily broken up was: Could the families have been cared for by existing relief agencies if the proper machinery had been set in motion? or, in other words, how many families were wilfully broken up by unintelligent and inefficient children's agencies that refused to call to their assistance the relief societies that were at hand?

That children's societies were guilty of such conduct the commission did not hesitate to acknowledge, as the following extract from the majority report indicates:

It appears that some agencies of some communities have made but little effort to keep families intact. Others have found by experience that the relief-giving agencies of the same region have been unwilling to take in charge families which would need relief for an extended period of time, or have offered only inadequate relief. Where the latter has really been the case, disapproval must not be unmixed. But where an agency has been willing to separate children from mothers for poverty especially, though relief societies are at hand, extreme disapprobation is deserved. A critic of the policy of separation should, however, carefully distinguish the offending from the unoffending agencies (p. 15).

For such cases as these the remedy is obviously not a new relief agency in communities where both public and private relief organizations are already available, but better supervision or control of the children's agency that refuses to make use of the organizations that are now standing ready to help.

Passing on to the second part of the report, the care of widow's families kept together by relief agencies—an even more difficult subject from the point of view of statistical presentation—the questionnaire method was still adhered to. The unit of tabulation, however, was changed. In the first part of the report 754 children were dealt with and the number of families was not given. In the second part the unit is the family and although reports were obtained concerning 1,687 widows that were enabled to keep their children together, we are not told how many children were provided for,

From the point of view of securing trustworthy data, the same statements apply here that were made regarding the statistics gathered from the children's agencies. Data obtained from all kinds of relief societies, public and private, efficient and inefficient, should never be treated as if equally valuable. The investigator says regarding his relief statistics that "it may be objected that the amounts stated in the various tables of this chapter do not actually represent the incomes of the families," but since the amounts were obtained by questionnaire from the relief agencies it is argued that "it would be a serious indictment of the relief agencies of the state to charge that they are unfamiliar with the conditions in the families which they help." It is a matter of common knowledge among social workers that many relief agencies do not know anything about the families they help. The following comment from the investigator's report is significant of the method of evaluating data:

These returns, therefore, are submitted, not as affording an accurate, but an approximate, index of the economic conditions of the widows' families reported to be in receipt of relief in this Commonwealth. In so far as they serve this purpose they are an indication of the policies and resources of the relief-giving agencies of the state in their care of families of widowed mothers with dependent children. In so far as they do not represent the conditions, it is due, in general, to the fact that the relief agencies did not know the conditions in these families, or did not report them correctly (p. 146).

It is stated further with regard to the character of the relief data handled that in one hundred cases visits were "made in the field by trained visitors employed by the state board of charity, and a much more detailed and more reliable description was secured than at first." As a result of this second inquiry the majority of the commission agrees that "many records previously received from the overseers of the poor, especially, but also from others, were glaringly incorrect. They were sometimes too high, sometimes too low. When the result was not essentially different the factors that produced it often were." But the final conclusion of the commission is that "despite these qualifications, the statistics first gathered by the investigator for the commission are by no means worthless. On the contrary, important inferences are possible. The schedules were by many indications very carefully and correctly filled out by some overseers and societies. Even when allowance is made for inaccuracy of other schedules, many clearly represent a condition inadequate for worthy families."

In conclusion it remains to repeat that with the resources given it, the commission was not able to collect accurate and trustworthy data;

and the question must be raised whether inaccurate data should ever be set forth in the form of statistical tables and seriously discussed. The report makes clear the fact that in social statistics, the data must be carefully scrutinized by some one sufficiently familiar with social work to know whether they are valuable. If they are inaccurate, there would seem to be no reason for tabulating them. That there are some thoroughly inefficient children's agencies and relief agencies in the state of Massachusetts is undoubtedly made clear, but this would have been generally agreed to without any investigation of any kind. The report does not offer any facts to show that the situation would be improved by adding a new public relief agency that may be just as inefficient in its turn. The commission further expresses opinions on a variety of questions that relate to the technique of social work. It is for each reader to decide whether the experience of the members of the commission has been such as to make these opinions valuable.

*Chicago School of Civics and Philanthropy.* EDITH ABBOTT.

COMMENT BY PROFESSOR FOERSTER. I am glad to comment on what seem to me misconceptions in Miss Abbott's review of the Massachusetts report. The commission was forced to an economical program. Had its appropriation been \$10,000, instead of \$1,000, it might have tried to furnish "a standard method of inquiry," acceptable "in other states." Whether, therefore, the child or the family should best be the unit of study was, for example, never an issue. To use the child in one schedule, the family in the other, was far from pointless and was cheaper.

The commission, while alone responsible for its course, did not act alone. Its way of looking the situation squarely in the face was to invite counsel from the officials of leading charities. To them, as to us, the schedule method promised best. The commission discriminated between returns; many records were not accepted at all; others were sent back, even repeatedly, for amendment. The main results were approved and the recommendations likewise, even as to the technique of social work—except, perhaps, at one point—by persons long associated with charities and philanthropies in Massachusetts.

A word as to the removal statistics. The figures on page 68 classify the causes previously enumerated. For example, they show that the mother's absence from home at work or her insufficient income was generally a factor when illness was a factor, and was not incidental merely; since these are cases where removal should, according to the agency, not have taken place for financial reasons.

Another table shows that most separations were recent and not "ten years" old.

The separation of children from mothers has been, as a practice, declining in most quarters. Were it the only difficulty now, the simple solution, as Miss Abbott suggests, would be better control of the children's agency. (Attempts at such control have failed.) But a larger difficulty exists: the inadequacy of relief resources, public and private. Such inadequacy is common and in some regions is specially acute.

But has inadequacy of aid not been shown in the report? Miss Abbott cites a special field study of one hundred families. Half of these had first been reported to receive a per capita weekly income below fifty cents—often much below. The majority commissioners needed no proof that these were, as they said, "glaringly incorrect." And when these reports are ruled out, it is almost inevitable that fluctuating circumstances should explain other differences. The re-examination was made in December, months after the first study. How strange if the results had not been different! Earnings are seldom regular; subsidiary income fluctuates; overseers of the poor give more aid in winter. The second studies were indeed "more reliable," but did not disprove the first. And finally, the second series also reflected unnecessary destitution and hardship.

The Massachusetts Minimum Wage Commission found that \$6 or \$7 a week was typically earned by an adult woman with a family which had also an adult male worker. From charity and wages together our figures showed women to be receiving \$6 or \$7 a week where there was not also an adult male worker and where several children had to be supported. With every possible allowance our figures show a worse condition. Pages 153-161 of our report give the explicit testimony of the overseers of the poor as to their relief policies. To charity officials of Massachusetts at least, these tell no incredible story; indeed, usual payments are lower than the maxima given, as the family records received show.

Our appropriation permitted no model statistical investigation. The report makes frequent reference to specific doubtfulness of result, as well. But I believe that it sufficed to show that legislation was needed. The bill lately enacted, containing some important provisions drawn from the commission's bill may go far to achieving what seemed chiefly necessary; adequacy of aid and the influence of state standards upon local procedure. The measure, it is interesting to note, is closely similar to one recently enacted in Denmark, a country already well provided with a poor relief system.

R. F. FOERSTER.



In *A Report on the Pension System in the City of New York* by the commissioner of accounts of New York city (280 Broadway, May 27, 1913, pp. 12), evidence is given of the haphazard growth of municipal pension legislation. It is shown that pension laws are inconsistent in their application to different departments, that they are not subject to complete budgetary control, that they are discriminatory in their application to the civil service, and that there exists a possibility for discretionary administration of the pension funds.

The Insurance Department of New York has issued a pamphlet *Summary of Insurance Legislation for the Year 1913* (Albany, 1913, pp. 17).

### Social Problems

The National Housing Association (105 East 22d St., New York) publishes a bulletin on *Housing Betterment*.

The *Annual Report of the State Charities Aid Association of New York, for 1912* (New York, 105 East 22d St., pp. 215) contains a brief historical review of the work of placing-out children during the past forty years.

The Chicago School of Civics and Philanthropy has issued a pamphlet, *Housing, Literature in Central Chicago Libraries* (Chicago, Survey Magazine, 116 So. Michigan Ave., 1913, pp. 40, 20 cents); 710 titles are listed, arranged under convenient topical headings.

### Demography

The new federal Children's Bureau has issued its first monograph, entitled *Birth Registration* (Washington, 1913, pp. 24). It is announced that the first field study of the bureau will be on infant mortality. For this, accurate registration is necessary. Only New England and Pennsylvania have what are regarded as "adequate" birth registration laws in the United States. A model law is appended.

The Immigration Restriction League has issued a leaflet on *Immigration Figures for 1912*. This is a comparison of the fiscal years 1911 and 1912 from data furnished by the Commissioner-General of Immigration.

An address by Hiram F. Mills to the state inspectors of health of Massachusetts (Boston, State Board of Health, pp. 24) contains analyses of mortality statistics in Massachusetts.

Bulletin 14 of the fifth census of Canada is entitled *Birthplace of*

*the People* (Ottawa, 1913, pp. 19). The population born in the United States resident in Canada increased from 2.4 per cent in 1901 to 4.2 per cent in 1911. In the city of Edmonton the ratio runs up to 11.7 and in Vancouver to 10.4 per cent.

In the *Report on the Results of a Census of the Dominion of New Zealand, 1911* (Wellington, 1913, pp. vii, 178), a tabulation is for the first time made of the duration of marriage, the number of children born to the marriage, and the respective ages of husband and wife. For example, for the marriages of 25 years duration (but under 26) 91 per cent of the married women have children and the average number of children to the marriage, counting married women with children only, is 5.76. Similar figures are given for each year of marriage.